

## COLUMN: Maine Can't Afford a Trade Deal that Benefits North Korea and China

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By Representative Mike Michaud

When it comes to the impacts of our national trade policies, Maine's been hard hit. When you look at the data, you realize just how directly and negatively impacted our state has been over the years. In fact, according to the U.S. Department of Labor, 2,524 workers in Maine participated in Trade Adjustment Assistance (TAA) programs in 2010 alone. These are workers who lost their job through no fault of their own as a result of our nation's trade policies. As a percentage of the workforce, that ranks Maine as having the 6th highest rate of TAA participation in the nation.

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That's why I've been fighting to change our national trade model, and it's why I am so extremely disappointed that the Obama Administration is pursuing the passage of the same old NAFTA-style trade agreements that have devastated our state's manufacturing sector and the jobs of the workers that rely on it.

Instead of working on a new trade model, the President is preparing to send to Congress three NAFTA-style trade deals with South Korea, Colombia, and Panama. The agreement with South Korea would represent the largest trade deal the U.S. has signed since NAFTA and would be devastating to U.S. manufacturing. You know the saying: the definition of insanity is doing the same thing over and over and expecting a different result. Well that's just what is happening right now in Washington.

And it appears that the Administration is trying to get these passed as quietly as possible so the public doesn't know about it. And who can blame them? Because when you look at them closely, it's astonishing what they actually contain. For example, take the Administration's often repeated talking point on the South Korean trade deal: that it will increase U.S. exports by more than \$11 billion while supporting 70,000 jobs. When you dig into the details, the same study that says that the deal will increase U.S. exports also says that it will increase the overall U.S. trade deficit (that's because imports will increase more than exports). And the Administration is always careful to say that the deal will "support" 70,000 jobs, not "create" them. That's because they are not calculating how many jobs the U.S. is estimated to lose and subtracting one number from the other. If you do the real math on this, the U.S. stands to lose up to 159,000 jobs from the South Korean trade agreement.

To address this misinformation, I recently organized a press conference on Capitol Hill to tell the American people all of the other things the Administration isn't talking about in its push to pass a free trade agreement with South Korea. At this press conference we made it clear that this trade deal will put tens of thousands of Americans out of work; increase our trade deficit by more than \$13 billion by 2015; and make it easier for China to avoid tariffs by transshipping goods through Korea. We also highlighted the fact that the deal further benefits the North Korean economy through its Kaesong Industrial Complex, where factories owned by South Korean companies make goods like car parts and textiles using cheap North Korean labor.

And despite the much-touted, recently negotiated changes to the agreement designed to supposedly help make the deal better for our auto companies, my colleagues and I clarified that the trade deal would reduce U.S. auto and truck tariffs and increase Korean auto imports into the U.S. It would also undermine the U.S. manufacturing sector, hurt the U.S. auto

supply chain and open the door for Chinese auto parts to be used in U.S. and Korean cars. As our country seeks to rebuild our economic and manufacturing capacity, this is the absolute wrong time to flood our market with Korean cars and Chinese car parts.

To make matters worse, in its February 2011 report, the U.S. Treasury identified South Korea as a currency manipulator. The Administration condemns China for their currency practices, but is mum on South Korea's violation and is instead offering them special privileges and access to our markets. Only in Washington, I guess.

I support expanded trade, but only if it's done in a fair way. What we need is a new trade model that truly benefits American workers and businesses. We don't need any more tweaks around the edges of completely discredited trade deals. And we certainly don't need more inaccurate and recycled talking points from this Administration. As written, these trade agreements represent a bad deal for our country, and Mainers deserve to know the truth about what they will mean for our economy, national security and the future of our manufacturing sector.

Our state has been hit too hard by flawed trade policies already. We simply can't afford to let these trade deals pass. In the coming weeks and months, I'll continue to do whatever I can to make sure that my fellow members of Congress know what's in them before they come up for a vote.

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